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C O N F I D E N T I A L SECTION 01 OF 02 BRASILIA 000224

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FOR WHA A/S SHANNON, USOAS AMB. MORALES, AMB. DAVIDOW, AND
WHA/BSC

E.O. 12958: DECL: 02/21/2019

TAGS: [PREL](#) [KSUM](#) [ENRG](#) [BR](#)

SUBJECT: BRAZIL: U/S FOR POLITICAL AFFAIRS ON UPCOMING
CLINTON-AMORIM, OBAMA-LULA MEETINGS

REF: BRASILIA 158

Classified By: DCM Lisa Kubiske, Reason 1.4 (b) and (d)

¶1. (C) Summary. In a February 21 meeting, Brazilian Ministry of External Relations (MRE) Under Secretary for Political Affairs Ambassador Everton Vargas told Ambassador Sobel that when FM Celso Amorim meets the Secretary next week, he will want to stress the importance of building on the progress made over the last two years in U.S.-Brazil bilateral relations. Vargas said that Amorim will also want to discuss the economic crisis and April 2 G-20 meeting, the April Summit of the Americas, the Middle East peace process, and UN Security Council reform. Vargas expects Amorim to raise the upcoming meeting between Presidents Obama and Lula, where Lula will likely want to discuss the financial crisis and U.S. relations with South America. End summary.

¶2. (SBU) Vargas, who expects to be confirmed as Brazil's Ambassador to Germany shortly after congress reconvenes in March, was joined by his successor as Under Secretary for Political Affairs Ambassador Vera Machado, who just returned to Brasilia after serving as ambassador to the Vatican. (Note: Vargas's portfolio has recently been divided into two with the creation of a new Under Secretariat for Energy and Technology, now under Ambassador Andre Amado. Machado will keep environment, international organizations, transnational crimes, Europe, the United States, and Canada in her portfolio. End note.)

¶3. (C) Vargas is focused on preparing FM Amorim for his February 25 meeting with the Secretary. He stressed that the "cornerstone" of Amorim's message to the Secretary, which will "permeate all other ideas," is Brazil's desire to build on the progress in bilateral relations made over the last two years, and to continue the growing level of dialogue between our countries. Amorim will likely raise the planned March 17 meeting between Presidents Obama and Lula. They principally view the meeting as a "get acquainted" session on which to build future relations and hope to have an "open agenda." In addition to the bilateral relationship, they expect President Lula will want to discuss the financial crisis, UN Security Council Reform, South American integration, and U.S. relations with the region.

¶4. (C) According to Vargas, the specific issues on Amorim's agenda will include:

-- Summit of the Americas: Amorim expects that it will focus on the financial crisis, and does not want a "strait-jacketed" agenda, as the leaders should be free to discuss the most urgent issues for the region. Brazil sees the SOA as a valuable opportunity for the new U.S. President

to meet his regional counterparts, to discuss his Administration's agenda for the region, and to strengthen cooperation. In this regard, Vargas believes FM Amorim will want to stress to the Secretary that it is important for the United States to recognize that the region has matured politically, economically, and socially. With regard to Cuba, Vargas said that Brazil is pleased with the new Administration's actions with regard to Guantanamo and eventually hopes to see relations between the United States and Cuba normalized. (Comment: It has become increasingly apparent over the last few months that the GOB views the SOA not as a gathering in which a single region, the Western Hemisphere, develops a common agenda, but rather as a forum for Latin America and the Caribbean to engage the United States and, to a lesser extent, Canada, much as regional leaders regularly engage Europe, Spain and Portugal, Arab states, and Africa. End comment.)

-- Regional Energy Cooperaton: Vargas said that Amorim is aware of U.S. interest in this issue and would like to know more about the Administration's plans. Stating that he had been opposed originally to the U.S.-Brazil Biofuels MOU for fear that it would never get off the ground, Vargas said he is pleased that our cooperation in third countries now has good momentum and believes it could be enlarged, but stressed that MRE has had to apply a great deal of pressure to ensure it is implemented. (Comment: Vargas' non-committal stance with regard to hemispheric energy matters contrasts with the more negative view of his MRE colleagues dealing with energy matters, inclnding U/S Amado, who recently expressed very negative views about the prospects for a hemispheric energy agreement (ref A). MRE's views differ from those expressed

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by Ambassador Marcel Biato, foreign affairs advisor in the Presidency, in a February 20 meeting with congressional staffers (septel). Biato indicated that Brazil was open to hearing more from the United States regarding our proposal for energy cooperation, thought there would be ample areas for cooperation, and believed it could be one of the significant areas for cooperation to come out of the SOA. Vice-Minister of Mines and Energy Roberto Zimmerman likewise told the Ambassador February 21 that he saw U.S. overtures on regional energy cooperation as timely, relevant, and important, indicating that he saw a number of possible areas for regional cooperation (septel). End comment.)

-- Haiti: Vargas said that Haiti is very much on Amorim's mind. He would like to pursue further cooperation with the United States and wants to hear the new Administration's views. "We can't stay there forever," he said, so it will be important to make the political process there more stable. In particular, he said, it will be important to ensure a successful transition to Preval's successor.

-- Middle East: Vargas confirmed that Amorim will attend the upcoming meeting in Sharm el Sheikh, and said that he will want to hear the Secretary's perspective on the Middle East peace process.

-- UN Reform: Amorim will want to discuss UN reform, and Security Council reform in particular.

-- G-20: Amorim will likely seek the Secretary's views on the global financial crisis going into the April 2 G-20 leaders meeting.

15. (C) Comment: One issue that is almost certainly not on Amorim's mind is the future of bilateral defense cooperation. We continue to believe this is an important area for future cooperation between the United States and Brazil, and that a successful Boeing bid to sell the F/A-18 to Brazil holds the potential to enhance this partnership in unparalleled ways over the next decades. As the purchase decision moves to the political levels over the next months, Amorim will be one of a handful of senior officials advising President Lula on it.

We recommend using the upcoming meeting to discuss with Amorim the importance the United States attaches to this sale, our commitment to appropriate technology transfer in relation to the sale, and our understanding of Brazil's interest in using the purchase to enhance its domestic defense industry.

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